



Committee of the Whole Report

Report Number: ML2023-003
Meeting Date: June 6, 2023
Title: Short Term Rental – Licensing Program Implementation

Author and Title: Aaron Sloan, Manager

Recommendation(s):

That Report ML2023-003, **Short Term Rental – Licensing Program Implementation**, be received;

That the draft Short Term Rental Accommodation Business Licensing By-Law 2023-xx, as attached in Appendix C, be brought forward to Council for approval;

That Council direct Staff to bring forward an amendment to the Fees By-Law Schedule A-13, Short Term Rentals establishing an Annual License Fees as outlined in Table 2 of this Report;

That Council authorize the Treasurer to establish a 2023 operating budget not to exceed \$400,000, for the MLEL division to fund staffing, equipment and resources to fund the implementation of a Short Term Rental (STR) licensing program, to be funded from annual STR licensing fees;

That Council authorize funding from the uncommitted portion of the Contingency Reserve for any deficit incurred in 2023 to an upset level of \$300,000;

That Council authorize the creation of a Short Term Rental Reserve and any future operating surplus in the Short Term Rental (STR) licensing program launch be transferred to the Short Term Rental Reserve to be used to fund the program in future years;

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Short Term Rental – Licensing Program Implementation

That Council direct staff to bring an update report to Council Q1 of 2024, reporting on the overall Short Term Rental Accommodation Business Licensing program along with any recommendation, as needed to amend the Short Term Rental Accommodation Business Licensing by-law; and,

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Background:

At the Council Meeting of April 4, 2023, Council adopted the following resolution:

CR2023-219

That Report ML2023-001, **Short Term Rentals – Regulation Options**, be received;

That Option 2 be approved; and,

That a Task Force be established consisting of four (4) Council Members, being Deputy Mayor Richardson, Councillor McDonald, Councillor Joyce and Councillor Perry, to work with staff to review and make recommendations to Council on a Short Term Licensing Program by end of Q2 2023.

Report ML2023-001 is attached as **Appendix A**.

This report addresses that direction.

Rationale:

Short Term Rental – Task Force Mandate

The mandate of the Task Force includes a review of Option 2 (report ML2023-001), review of the draft Short Term Rental Business Accommodation Business Licensing By-Law and the processes that would be involved with the administration of a licensing program.

Short Term Rental – Task Force Meetings

At the initial meeting, the Short Term Rental (STR) Task Force committed to meeting dates on:

- May 3, 2023, May 10, 2023, May 17, 2023 and May 24, 2023.

The minutes from all STR Task Force meetings are attached as **Appendix B**.

On **April 26, 2023** the STR Task Force had their 1st meeting to discuss enforcement and review Option 2 from report ML2023-001, the proposed STR by-law and processes.

The first meeting provided discussion about enforcement processes, such as complaint response, service levels, service expansion, inspections, officer safety, fees, 24/7 vendor STR location/complaint/response support and enhancement of the Municipal Law Enforcement and Licensing working relationship with the local police services. The Task Force started to review the draft STR bylaw.

On **May 3, 2023** the STR Task Force met to continue the discussion of Option 2 (report ML2023-001), review of the proposed STR bylaw and the demerit point system, 24/7 vendor support reporting and compliant response process, establish a graduated STR license, and service fees.

On **May 10, 2023** the STR Task Force met to continue the discussion of Option 2 (report ML2023-001), review of the proposed STR bylaw, STR applicability, STR exemptions, STR requirements for a licence, occupancy requirements, inspection requirements, and review of consultation with the OPP and the Kawartha Lakes Police Services regarding service levels and interest in pay-duty support.

On **May 17, 2023** the STR Task Force the STR Task Force met to continue the discussion of Option 2 (report ML2023-001), review of the proposed STR bylaw, staff update regarding consultation on extended hours of MLEL services, and review of proposed licensing fees.

On May 24, 2023 the STR Task Force met for final review of Option 2 (report ML2023-001), final review of the proposed STR bylaw, staff report to discuss MLEL enforcement during July and August and occupancy limits.

Task Force Recommendations at STR meetings:

STR2023-002

That Staff consult the Kawartha Lakes Police Services and the OPP with respect to the options that are available for an enhanced level of service for the enforcement of issues relating to short term rentals and to report back to the Task Force with the options that are available.

STR2023-003

That Staff review the staffing requirement that would be associated with a graduated licensing system for the regulation of short term rental properties and report back at the next Short Term Rental Licensing Program Task Force Meeting.

STR2023-007

That Staff review a graduated licensing system for short term rental properties and provide a template for that system including the criteria, the exemptions and the fees that would be applicable, and report back at the next Short Term Rental Licensing Program Task Force meeting.

STR2023-011

That Staff review any options available for extending hours of service for Municipal Law Enforcement Officers and report back at the next Short Term Rental Licensing Program Task Force Meeting.

STR2023-015

That Staff compile a proposed overtime schedule for the weekends in July and August for review to identify service gaps that could be fulfilled by paid duty officers and provide budget implications.

STR2023-016

That Section 9 of the proposed By-law to License, Govern and Regulate Short Term Rental Accommodation Businesses in the City of Kawartha Lakes be amended to incorporate the fee structure referred to as Option 3 within the fee review, including:

- Hosted (part time) \$150.00
- Hosted (year round) \$300.00
- Un-hosted (part time) \$750.00
- Un-hosted (year round) \$1500.00

STR2023-017

That Schedule C to the Proposed By-Law to License, Govern and Regulate Short Term Rental Accommodation Businesses in the City of Kawartha Lakes be amended to include a demerit point infraction of three (3) points for parking infractions.

STR2023-018

That Section 2.1 of the proposed By-law to License, Govern and Regulate Short Term Rental Accommodation Businesses in the City of Kawartha Lakes be deleted.

STR2023-019

That the proposed By-law to License, Govern and Regulate Short Term Rental Accommodation Businesses in the City of Kawartha Lakes be amended to include a setback between short term rental accommodation properties at 150 linear feet (approximately 46 meters).

STR2023-020

That the Schedule C of the proposed By-law to License, Govern and Regulate Short Term Rental Accommodation Businesses in the City of Kawartha Lakes be amended to include a demerit point infraction of three (3) points in the event that a short term rental property owner provides a false declaration.

STR2023-021

That Section 9.04 of the proposed By-Law to License, Govern and Regulate Short Term Rental Accommodation Businesses in the City of Kawartha Lakes be deleted.

Short Term Rental - Task Force Recommendations

The recommendations made by the STR Task Force have been incorporated into the draft Short Term Rental Accommodation Business Licencing by-law as a complete document.

The draft Short Term Rental Accommodation Business Licensing bylaw is attached as **Appendix C**.

Council should note: Schedule A and B have been removed from the bylaw and are attached as examples in **Appendix D** to this report. These schedules are the Licensee Acknowledgment form and Renters Code of Conduct. The forms are declarations that may be edited and changed from time to time and they will be used in the application process and education components of the Short Term Rental Accommodations Business Licensing program. Inclusion of these forms in the Short Term Rental Accommodation Business Licensing by-law is not required.

The **Fees by-law** will receive an amendment based on Council receiving this report and report recommendations, as well as the adoption of the Short Term Rental Accommodation Business Licensing By-law. As detailed in ML2023-001, the base fee to be established is Example "1", which would be a fee for the entire year and as detailed in the fee schedule below. At the conclusion of the STR Task Force meetings, the STR Task Force recommended Example "2" (previously presented to the STR Task Force as Example "3" however renumbered for this report.).

Table 1

Fees (based on 600 STR's equally split per year)	Example 1 in Option 2 to report ML2023-001	Total
Hosted (300)	\$300	\$90,000
Un-hosted (300)	\$1200	\$360,000
	Total	\$450,000

Table 2

Fees (based on 600 STR's equally split per year) STR Task Force Recommended	Example 2 (time periods)	Total
Hosted (May to October or November to April) estimated with 150 STR's	\$150	\$22,500
Hosted (Year Round) estimated with 150 STR's	\$300	\$45,000
Un-hosted (May-October or November to April) estimated with 150 STR's	\$750	\$112,000
Un-hosted (Year Round) estimated with 150 STR's	\$1,500	\$225,000
	Total	\$404,500

Staff presented the STR Task Force with additional options which included establishing a fee based on the number of bedrooms (provided in example 3 detailed below) and referencing example 1, staff suggested that an alternative fee model that contains a 3rd year fee reduction of 10% based on the accumulation of zero demerits from the 2 years prior. The STR Task Force preferred Example 2.

Table 3

Fees (Based on 600 units total)	Example 3 (bedrooms)	Total
Hosted (300 units)	\$300	\$90,000
Un-hosted (up 3 bedrooms) (150 units)	\$1000	\$150,000
Un-hosted (greater than 3 bedrooms) (150 units)	\$1000+\$200 (per extra bedroom) example: 4 bedrooms = \$1200 5 bedrooms = \$1300 6 bedrooms = \$1500 etc.	\$180,000 \$195,000 \$225,000
	Total x 3 bedroom	\$390,000
	X 4 bedrooms	\$420,000
	X 5 bedrooms	\$435,000
	X 6 bedrooms	\$465,000

Current MLE Services and Police Services Support

The role of the STR Task Force was to review option 2 from report ML2023-001 with a focus on the draft by-law. Through out the STR Task Force meetings the conversation focused on the perception that the problem is that short term rentals create situations that require regulation and that enforcement response to the problem, is needed at the moment it is occurring. Municipal Law Enforcement and Licensing (MLEL), like the police services are reactive to complaints received, however proactive enforcement within the proposed program will begin with Public/Owner education, 24/7 vendor supported complaint response, after hours' police support to issues that relate directly to keeping the general piece and safety, and data tracking within the licensing process. Using these combined methods will allow MLEL ample opportunity to resolve complaints and offer consequences focused on placing the STR Owner as holding the primary responsibility for compliance.

The Municipal Law and Enforcement and Licensing Services offer business licensing, investigative services, parking and animal control. Staff compliment consists of:

- 1 Licensing Enforcement Officer,
- 8 general Municipal Law Enforcement Officers,
- 1 supervisor and
- 2 support staff in administration.

Currently Municipal Law and Enforcement and Licensing staff work 7 days per week with rotational shifts starting at 8:00 a.m. and ending at 9pm Monday to Friday and 8:00 a.m. to 6:30 p.m. on Saturday and Sunday. This enforcement schedule is based on a reactionary model to allow officers a best practice approach and opportunity to investigate, respond to complaints, and investigative issues during normal business hours (9-5pm) in which most supporting agencies work (Internal examples Building, Planning and Fire Prevention and externally Health Unit, MOECP, MTO etc.). However, the MLEL schedule also considers that most citizens work during the normal work day, so officers have flexibility to meet and inspect while people are home in the evenings and on weekends.

The current MLEL schedule attempts to balance the work load across all enforcement staff, and investigation types however during the peak summer period investigative complaints often exceed current capacity. The Licensing Enforcement Officer only provides enforcement for the business licensing bylaws enforcement and does not have the authority to enforce other general bylaws. However, Municipal Law Enforcement

officers have the ability to enforce all municipal regulatory by-laws which includes licensing by-laws.

The Licensing Enforcement Officer is the only staff person, who is currently able to approve licensing applications across numerous by-laws and lottery licences for the Alcohol and Gaming Commission of Ontario (AGCO). The Licensing Enforcement officer currently works Monday to Friday. Detailed in the financial section will be a request to increase the daily hours of the Licensing Enforcement Officer from 35 hours per week to 40 hours per week. The proposed Licensing staff expansion will increase weekend availability.

The municipal enforcement operations currently offered are more robust and greater in scope generally when compared to municipalities of similar population.

Short Term Rental Accommodation Business licensing is not a service that is currently offered by the municipality, the hours and service is not listed in the Collective Agreement, so the provision of enforcement services will need to be created as a new service.

Current Municipal Law Enforcement and Licensing (MLEL) operations focus on the community requests to respond to a very specific nuisance event generated at the STR location. As reported in ML2023-001 MLEL staff investigate STR's as general nuisance complaints and apply other bylaw regulations as needed.

What is being proposed to Council is a business licensing by-law with a structure that provides a licensing process and very severe consequences for owner's who permit activities that violate the proposed STR by-law and/or other nuisance based by-laws by the application of a demerit point system, which can very quickly escalate to suspend a licence.

Police Service Support

In relation to the study of STR's and as part of the STR Task Force recommendations, staff met with both Police Services (Kawartha Lakes Police Services and the Kawartha Lakes O.P.P.) The purpose of the meeting was to explore current practices, investigation services, information sharing and to discuss the added value in hiring pay duty officers to respond to weekend STR issues to support the STR program in a focused way outside of MLEL hours of service. Council should be advised that budget for pay duty officers is not included in this report or prior approved in the 2023 budget process. Pay duty MLEL support has not occurred in the history of practice within MLEL.

Considering that the proposed STR program, as an entirely new program for the municipality, will require additional MLEL staff, staff working late on weekends has not had formal study. Noting that this program is a new focus, staff will gather metrics to determine need for additional MLEL shifts, MLEL overtime and hiring pay duty police officers to specifically support the STR program.

Pay Duty - The police services indicated that pay duty operations would not be an effective way to implement the STR bylaw program. Their hesitancy is due to contractual agreements, unclear metrics, budget, vendor support and staff trained in Municipal by-law enforcement practices. Also, noted is that pay duty is voluntary and they could not guarantee support, as officers may have other pay duty options to explore and some officers may simply not want to work on the weekend, further stating that the area officer pool is a limited resource. Both services expressed that Police officers would be available during their normally scheduled shifts to respond to calls to service, for police regulated issues such as keeping the peace, trespassing, noise etc. as related to an STR location. The Police Services and MLEL will share information to support the STR program based on their response to specific addresses. The Police services both indicated that they do not have a tracking category focused on Short Term Rental Licensing, however they agree that information exchange using address comparisons could expose specific STR locations for direct reporting to the municipality, MLEL application of the proposed STR by-law, and more proactive and focused enforcement.

OPP/KLPS pay duty coverage if utilized in July and August would require approximately \$40k of unbudgeted resources. (20 shifts x 2 officers @ \$1000)

MLEL staff Overtime – At the request of the STR Task Force, staff will build an overtime calendar to bridge the period between Council receiving the final STR report/bylaw and implementation of the 24/7 vendor supported intake and complaint response system. The STR Task Force has suggested that this time period is approximately 20 days, covering the weekends in July and August. There is no legislative requirement to have MLEL enforcement staff available over night, later in the evening or during specific daily time periods. MLEL overtime is voluntary service specifically scoped to the STR bylaw and would require a limited budget.

Current overtime practice is used by MLEL employees in the course of their normal duties, when an officer requires additional time to resolve an investigative issue (all general by-laws) or to support other agencies, such as the police when animals are present. Officers when working overtime are paid at time and a half for hours worked outside of their normal shifts.

Council should be aware that the suggested overtime calendar is for a period that is not within the 2023 work plan or budget and would require additional budget to support. Overtime, if utilized each day suggested in July and August would require approximately \$15k of unbudgeted resources. (20 shifts x 2 officers @ \$360) Overtime after 9:00 p.m. restricts MLEL officer activity, such as inspection functions will become delayed as they will not occur unless done during reasonable hours¹.

If MLEL operations change to address a perceived demand to include overtime on Friday and Saturday evenings, staff when volunteering, may choose pay out or to bank the time worked and use the banked time to take time off work on other dates. MLEL staff when building a banked reserve either do so to use the time on a later date or to take a payout at the end of October. Later use of banked time as time off, will remove the staff member from the daily rotation, which may delay their investigative response to all other general by-law enforcement activity and may also increase risk.

Council should note, that currently a barrier to staff overtime would be that overtime creates an unattractive schedule for MLEL staff, while the overtime is voluntary, staff are a team of motivated individuals and the impact of overtime may be negative to some. Considering the current municipal capacity to attract and retain qualified staff, a negative impact may result in some staff leaving the organization and difficulty replacing them. Staff vacancies create great delays in managing complaints and resolution of investigations.

If it is the intention of Council to exclusively focus MLEL staff to STR response, Council will note in the staff planning that the proposed officers will also be conducting licensing inspections, and application review as needed to support the administration of the program. Additionally, on boarding of new licensing enforcement officers may resolve overtime demand as they will be scheduled to work weekend rotating shifts. To be clear, licensing enforcement officers are scheduled separately from municipal law enforcement officers but follow a similar rotation.

Occupancy Limits – The Short Term Rental Task Force discussed setting a maximum occupancy limit for STR locations, for example only permitting 12 renters to a property. This limit would apply to renters and guests. The Task Force consulted with staff and considered setting an upper limit based on the number of people, however the Task Force was of the opinion that occupancy limits would require additional conversation in Council. Staff provide the following points for discussion:

¹ Reasonable hours are generally defined by legal precedence, legislation interpretation and case law as the period from 7am-9pm)

- The purpose of the by-law is to regulate STR businesses by providing guidance/regulation that places the onus on the owner to self-declare, to be aware of what is occurring on the STR property.
- Self-declaration and site plans will address occupant load and health and safety.
- Would setting a hard occupant load be counter intuitive to Provincial and Municipal tourism policies that support STR's in the sharing economy?
- How is occupancy determined? Residential occupancy standards are determined using regulations such as the Ontario Build Code Act and the Ontario Fire Code?
 - Occupant levels typically have a connection to the size of the dwelling, number of bedrooms and water use/sanitary fixtures. Supporting utilities are built out based on design and size of the dwelling.
- What occupant level can a water/septic system by design support?
 - Water and septic systems all become a product of the occupant load.
- Staff considered the application process and self-declaration made by the STR owner and asked what should be the overall occupancy standard that can be easily applied, but would be clear to both renters and owners, and consideration to a system that is less intrusive to renters and onerous on staff to track?
- Consultation with the CBO, Fire Chief and Director of Planning.

Short Term Rental Accommodation Businesses are a residential property use that is connected to the residential zoning of a property. STR's are businesses, but are exempted by nature and definition, from the commercial regulations that would be associated for example with hotel/motel or a multi-unit apartment building. Therefore, occupancy limits may also be applied as they would be to a residential house.

Setting an arbitrary maximum limit (for example 12 renters max) would place limits on the STR businesses that have the capacity for a larger footprint resulting in underutilization and less financial gain for the property owner. Further, when considering one or two bedroom cottages an upper limit (12) may overwhelm the residential use and associated water/septic systems creating an unsafe environment.

Staff and the STR Task Force devoted a large amount of time discussing occupancy limits. Presented in the draft STR by-law are sections that split occupancy limits into two sections, being renters section 2.05 and guests section 2.06. Proposed is the following:

Definitions:

"Bedroom" means a room offered for Short-Term Rental Accommodation intended primarily for overnight occupation, which complies with the standards for a bedroom, as set forth by the Ontario Building Code Act, and/or a room with one or more beds, murphy beds, pullout beds, sofa beds, day beds, futons or

similar places for sleeping, but shall exclude a kitchen, bathroom, foyer, lobby, closet, laundry room, utility room, pantry and balcony.

“Dwelling Unit” means one or more rooms used, designed or intended for the domestic use of one or more individuals living as a single housekeeping unit, with living, sleeping and sanitary facilities, and kitchen facilities, having a private entrance from outside the building or from a common hallway or stairway inside or outside the building. For the purpose of this By-law, a Dwelling Unit does not include a tent, trailer, mobile home, vehicle, boat, room or suite of rooms in a boarding or rooming house, hotel, motel or motor home.

“Guest” means any person on the Premises who is not a Renter. Guests shall not be permitted to stay overnight.

“Renter” means a person eighteen (18) years of age or older that uses the Short-Term Rental Accommodation for overnight lodging, but shall not include daily guests/visitors to the Premises.

“Short-Term Rental Accommodation” means the use of a residential Dwelling Unit that offers a place of accommodation or temporary residence, or occupancy by way of concession, payment of a monetary fee, permit, lease, License, rental agreement or similar arrangement for fewer than twenty-eight (28) consecutive calendar days with on or off-site management/owner throughout all or part of the year. Short-Term Rental Accommodation uses shall not mean a motel, hotel, bed and breakfast establishment, country inn, tourist establishment, tourist cabin establishment, or similar commercial accommodation use.

Section 2.00: Short Term Rental Accommodation Prohibitions

- 2.05 No Licensee or Renter shall permit more than two (2) Renters on the Premises for each Bedroom identified, plus 2 additional renters overall as approved as such in the floor plans submitted with the application for the Short-Term Rental Accommodation Business License, at any one time. Note: People under the age of 18, shall not be counted in the total number of Renters at the Premises.
- 2.06 The maximum number of Guests at a Premises at any one time shall not exceed two (2) Guests per Bedroom, plus 2 additional renters overall as approved as such in the floor plans submitted with the application for the Short-Term Rental Accommodation Business License, at any one time. Note: People under the age of 18 shall not be counted in the total number of Guests at the Premises; and, Guests (of any age) shall not be permitted at the premises after 11:00pm.

- 2.07 No Licensee shall rent any room other than a Bedroom that was identified and approved as such on the floor plans submitted with the application for the Short-Term Rental Accommodation License.

Using this method establishes an occupant load based on the intended capacity of the dwelling with some flexibility to allow day guests, and it establishes an upper limit in connection to the bedroom numbers, which are defined. This method is less onerous on MLEL staff when responding to complaints and occupancy limits would be established based on the dwelling size at the time of application. Applications during the review process are circulated to the internal application reviewers (Building, Planning, Fire Prevention Etc.) at the start of the process and reviewed based on the site plan submission and declaration by the STR owners. This method would establish a standard occupancy regulation for all STR's and the review process would flag issues such as septic capacity or wrongly listed bedrooms.

Soft Start

A "soft start" rollout of the program will occur during 2023. A soft rollout is recommended for the following reasons:

- budget implications, to allow for increase in Licensing Staff hours, additional staff to be hired and trained,
- time to set up the licensing program processes and policies,
- time to create and promote a public education program (media and website),
- establish and implement vendor support to locate currently unknown STR locations, implement the 24/7 complaint monitoring and response processes
- study known locations and preplan an inspections system and review,
- establish a system to alert STR owners (similar to a warning compliance letter) and, provide time to allow STR owners to come forward on a voluntary basis to register.

Staff anticipate that building and implementation of the STR program by using the soft start will provide an initial intake (STR applications) of approximately 40% in 2023. Known locations will receive information letters and encouraged to apply for the STR license, legal action will for non-compliance may occur. Moving into 2024, the STR licensing program implementation will continue but with a vendor supported structured approach to engaging STR owners directly to encourage STR Licensing applications. In 2024, the percentage of known STR locations to become licensed will increase. For example, Niagara on the Lake using vendor support achieved 80% voluntary registry. Staff anticipates that with the soft roll out of the licensing program and regulations, that the imposed licensing fees will be utilized to fund and sustain the program. Council may refer to the Financial/Operation Impacts to view the recommended staff levels needed to operate a new licensing program.

In support of the STR program MLEL services will require the following staff:

- 1x Licensing Administration,
- 2 Licensing Enforcement Officers; and,
- 1 Municipal Law Enforcement Officer.

Financial/Operation Impacts as Detailed in ML2023-001:

Municipal Law Enforcement and Licensing services generally utilizes a tax and licensing supported budget. Licensing historically, has a budget that is primarily supported by licensing fees collected across the numerous programs currently in place. Section 391(1) of the Municipal Act permits a fee or charge to individuals to support a cost recovery model.

In creating a STR accommodation business licensing program, staff is recommending that the program is supported by direct STR fees to offset any dependence on general property tax collection.

The creation of a new program in Option 2 comes with anticipated costs which include, but may not be limited to new staff (administration and MLEL), equipment (i.e. vehicles, computers, uniforms, other staff equipment, software licenses as examples) advertising (print media), website and licensing processing. The goal of establishing a licensing fee model is to recover these costs (zero dependence on the general tax levy), to support inspection costs, and processing inputs from other divisions. The Licensing fee will also be used to support the STRs in a direct way through the creation of an education program, website, location advertising, mapping and connection to area items (example webpage links to local points of interest, restaurants, retail etc.).

Vendor supported Data research services have been acquired and are currently being implemented, going forward into 2024 Council is advised that an annual fee of approximately \$48,000 will be required in future budget. This fee will be offset/recovered by STR licensing fees.

Short Term Rental Application Fees (STR Task Force recommended)

* Fees based on yearly CPI will increase and Operational costs will increase due to vendor costs, CA

Fees (estimation based on 600 STR's equally split)	Example 2 (time periods)	Total
Hosted (May to October or November to April) estimated with 150 STR's	\$150	\$22,500
Hosted (Year Round) estimated with 150 STR's	\$300	\$45,000
Un-hosted (May-October or November to April) estimated with 150 STR's	\$750	\$112,000
Un-hosted (Year Round) estimated with 150 STR's	\$1,500	\$225,000
	Total	\$404,500

changes and legal costs etc. Cost recovery, is estimated to balance (neutral) and considers business licensing fees and overall collection of program service fees. Revenue is estimated.

Appeals (Municipal By-law Appeals Committee MBA) Fee to the appellant is \$400.00.

Staff have previously reported that the a STR licensing program was not a 2023 budget line item and with the exclusion of the vendor support, there currently there is zero budget allocated to implement. Therefore, staff will require an alternative funding source in order to get the program operational in 2023. Staff are requesting that Council authorize the use of the uncommitted portion of the Contingency Reserve, to an upset limit of \$300,000 to offset any 2023 deficit. This represents eight (8) months of operations. The reserve funding will only be used to offset any deficit in the program, if required, and only in the 2023 year. As stated above the STR program is expected to break even in 2024.

As the program becomes established and more licenses are sold Staff anticipate that there could potentially be a surplus in the program in future years. Staff are recommending that any surplus from this program be transferred to a Short Term Rental Reserve in order to assist in funding the program in future years.

Other Alternatives Considered:

N/A

Alignment to Strategic Priorities

The proposal aligns to the four strategic priorities within the 2020-2023 Kawartha Lakes Strategic Plan which are:

1. Healthy Environment
2. An Exceptional Quality of Life
3. A Vibrant and Growing Economy
4. Good Government

Consultations:

- Building Division
- Planning Division
- Treasury and Finance
- Economic Development
- People Services
- Fire Prevention
- Legal Services
- Kawartha Lake Police Service
- Kawartha Lakes O.P.P

Attachments:

Appendix A – Report ML2023-001



ML2023-001 Short
Term Rentals

Appendix B –STR Task Force Meetings Minutes



Minutes



Minutes



Minutes



Minutes



Minutes - Short Term
2023-04-26-1100-Sho2023-05-03-0830-Sho2023-05-10-0830-Sho2023-05-17-0830-ShoRental Licensing Progi

Appendix C – Draft Short Term Rental Accommodation Business Licensing Bylaw



2023-XX The
Corporation of the Cit

Appendix D – Licensee Acknowledgement, Renters Code of Conduct



Short-Term Rental Accommodation Busir



Short-Term Rental Accommodation Busir

Department Head email: critchie@kawarthalakes.ca

Department Head: Cathie Ritchie